



Legislative Bulletin.....March 28, 2001

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H.Con.Res. 83 – Budget Resolution for Fiscal Year 2002

BUDGET RESOLUTION

TAX CUTS:

- \$1.62 trillion over ten years, plus access to any summer bump-up
- \$5.8 billion in the current year, with the option of increasing that number
- Four possible reconciliation bills

MEDICARE:

- Provides \$153 billion over ten years for Medicare reform and prescription drug coverage
- Provides access to an additional \$240 billion for the purpose of Medicare reform and prescription drug coverage

DEFENSE DISCRETIONARY SPENDING:

- \$324.9 billion in FY 2002, \$13.8 billion or 4.4% over last year
- Provides access to additional funds in either the current year or for Fiscal Year 2002

NON-DEFENSE DISCRETIONARY SPENDING:

- \$335.7 billion in FY 2002, \$11.3 billion or 3.5% over last year

RESERVE FUNDS:

Reserve Fund for Emergencies:

- Includes the Bush proposal to create a \$5.6 billion emergency reserve fund (included in the discretionary cap)
- Caps non-defense related emergency spending at \$5.6 billion in FY 2002 and prohibits any non-defense emergency spending in FY 2001 by prohibiting the automatic adjustment of the spending caps for emergencies as it relates to compliance with the budget caps in the House
- Provides a strict definition of non-national security emergency, specifically “a situation...that requires [spending] to prevent the imminent loss of life or property or in response to the loss of life or property; and is unanticipated

Strategic Reserve Fund (unallocated surplus money (\$517 billion over ten years):

- Allows the Budget Committee Chairman to, not later than July 25, increase spending levels for FY 2002 for the purpose of providing additional funds for the Department of Defense and / or to reauthorize portions of the Farm bill, and other appropriate legislation (this could include tax cuts, but they would not have reconciliation protection)
- Ensures that any such adjustment will not result in a breach of the Medicare lock-box

Supplemental Reserve Fund for Medicare (\$240 billion over ten years which if added to the \$153 billion already provided equals the Medicare surplus):

- Allows the Budget Committee Chairman to provide additional funds, beyond the \$153 billion already provided, for Medicare reform and prescription drug coverage; however, any increase is capped at the amount by which the CBO estimate of the President's prescription drug proposal exceeds the amount already allotted within the budget

Reserve Fund for Fiscal Year 2001:

- Allows the Budget Committee Chairman to increase the amount of spending for the current Fiscal Year (FY 2001) only for the purpose of providing supplemental appropriations for:
 - the Defense Department,
 - farmers, and
 - other critical needs
- Ensures that any such adjustment will not result in a breach of the Medicare lock-box

Reserve Fund for Special Education:

- Allows the Budget Committee Chairman to increase total spending by \$1.25 billion, provided that the funds are used only to increase IDEA funding beyond \$6.368 billion in Fiscal Year 2002

Reserve Fund for Additional Tax Cuts & Debt Reduction:

- Allows the Budget Committee Chairman to increase total tax cuts and / or further reduce public debt by the amount of the mid-summer increase in the total surplus

ENFORCEMENT

Includes revised language inserted last year by RSC Members to prohibit the abuse of advanced funding in order to mask increases in spending.

Discretionary Budget Authority By Function

Function	FY 2001	FY 2002	Percent Change
National Security	311.1	324.9	4.44%
International Affairs	22.6	23.9	5.75%
General Science, Space, & Technology	20.9	22	5.26%
Energy	3.1	2.8	-9.68%
Natural Resources & Environment	28.7	26.4	-8.01%
Agriculture	4.8	4.8	0.00%
Commerce & Housing	1.4	-0.2	-114.29%
Transportation	19	16.2	-14.74%
Community and Regional Development	11.6	10.1	-12.93%
Education, Training, Employment, & Social Services	61.2	65.3	6.70%
Health	38.8	41	5.67%
Medicare	3.4	3.4	0.00%
Income Security	39.5	42.8	8.35%
Social Security	3.5	3.5	0.00%
Veterans	22.5	24.2	7.56%
Administration of Justice	30	29.7	-1.00%
General Government	14	14.8	5.71%

Discretionary Budget Authority Summary

	FY 2001	FY 2002	Percent Change
Defense	311.1	324.9	4.44%
Non-Defense	324.4	335.7	3.48%
Total Discretionary	635.5	660.6	3.95%

Amendment A: Considered As Adopted Under The Rule:

- Makes changes to address concerns raised by the Appropriations Committee related to the Budget Committee's authority to release emergency funds in the contingency reserve fund. Under the amendment, authority to release the funds would now rest with the Appropriations Committee.
- Makes changes regarding access to reserve funds for Medicare reform to address concerns raised by the Energy and Commerce Committee regarding their ability to retain joint jurisdiction with the Ways and Means Committee over any reform proposal.
- Providing access to the current year surplus for additional tax relief.
- Makes other technical changes.